ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

An agency of the Government of Ontario

2013-2014 ANNUAL REPORT

ONTARIO *Yours to discover* | OTMPC

CONTENTS

Message from the Chair	1
Message from the President	2
Corporate Overview	3
Corporate Governance	6
Board of Directors	6
OTMPC Strategic Directions	9
OTMPC Performance Measures	16
Financial Statements	18

Message from the Chair

As the provincial marketing agency for promoting tourism in Ontario, the Ontario Tourism Marketing Partnership Corporation (OTMPC) is committed to delivering effective marketing designed to grow visitation and visitor spending in Ontario.

Throughout 2013–14, OTMPC worked diligently on organizational change to deliver stronger marketing activities and programs. For the future years, these focussed efforts have provided the groundwork to support tourism growth in Ontario.

The creation of a new *Strategic Plan 2014–2017* is key to supporting the future success of Ontario's tourism industry. The four strategic pillars of the plan will provide a guiding path for OTMPC's annual business plan, allowing for focused efforts within allocated budgets.

Revitalization of OTMPC's Advisory Committees is proving to reinforce the strong link between OTMPC and industry. OTMPC benefitted from the insightful contributions of Advisory Committee members to guide strategic input on programs and activities.

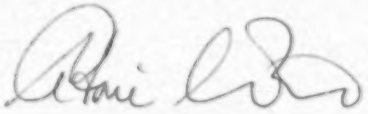
Marketing success continued both domestically and internationally in 2013–14. OTMPC launched campaigns in the spring/summer, fall and winter across Ontario and Quebec with a strong focus on driving visitors to the www.ontariotravel.net website for more travel information. With the 2014 Sochi Winter Olympics, OTMPC was able to take advantage of enhanced viewership and ran a strong television campaign during both the Olympics and Paralympics.

OTMPC continued to promote the province to international markets, recognizing that spending from these markets yields significant per-visitor expenditure. OTMPC worked with the Canadian Tourism Commission (CTC) to build awareness of Ontario as a world-class tourism destination, an important aspect in order to grow Ontario's market share in an increasingly competitive global tourism industry.

Tourism partnerships remain a key factor of OTMPC's focus. Enhancements to the Tourism Event Marketing Program (TEMP) and the Tourism Industry Partners Program (TIPP) were communicated and implemented for grants in the upcoming 2014–15 year. The programs' emphasis on overnight and out-of-province visitors is expected to help industry gain more from investments in their own marketing efforts.

Over the past year, OTMPC staff continued to impress the Board of Directors and me with its dedication and hard work marketing Ontario as a more attractive global destination. Transformative change at OTMPC is well underway and it has been rewarding to facilitate this change. While I may no longer serve in this role, as a stakeholder of Ontario's tourism industry, I look forward to continuing to work with OTMPC.

Finally, this will be my last year serving as Chair of OTMPC and as a Board member. Throughout the 12 years that I served on the Board, I have been honoured to assist OTMPC in its accountability to government, marketing excellence and strengthened partnerships with industry.



Antoni Cimolino, Chair

Ontario Tourism Marketing Partnership Corporation

Message from the President

In 2013–14, OTMPC continued to collaborate with public and private tourism stakeholders to position Ontario as a preferred global destination.

Strong provincial and national campaigns showcased Ontario in all four seasons. A 30-second television commercial aired in spring/summer 2013 (three weeks in April and two weeks in June) and a 'My Ontario' commercial aired for five weeks (February through March 2014) on major networks for the upcoming 2014 spring season, when travellers have summer trip planning top-of-mind. The *ONTARIO* magazine, distributed in English and French, encouraged travellers to vacation in Ontario. OTMPC's consumer website, www.ontariotravel.net, offered partner package listings with choices for families, couples and outdoor enthusiasts. Social media activity continued to grow on channels such as Facebook, Twitter and Instagram. A good example of these efforts is the 'Ontario Shines Bright' contest on Instagram.

Media relations activities continue to showcase Ontario as an exciting place to travel, for example, working with *Amazing Race Canada* producers to highlight Ontario. The Northern Office team built a relationship with recognized travel bloggers, Dave and Deb of 'The Planet D', to highlight winter fun in Northern Ontario, including specific outdoor snowmobiling, dogsledding and snowshoeing adventures. Overall, international media relations generated $89.5 million in coverage.

In international markets, OTMPC worked with the CTC and Ontario stakeholders to build stronger awareness of Ontario as a destination to be explored. Over 4,500 travel trade partners were trained about Ontario as a tourism destination and 355 travel trade partners and 329 media partners were hosted on familiarization (fam) tours across all regions of Ontario. The production of an Ontario tourism microfilm, 'Mission Ontario', was entered into the International China Microfilm Festival, accomplished with founding partners Tourism Toronto and Ottawa Tourism, as well as, the Niagara Parks Commission, Air Canada and many other tourism partners. Through the broadcasting of the microfilm, millions of Chinese viewers are expected to be enticed to visit Ontario.

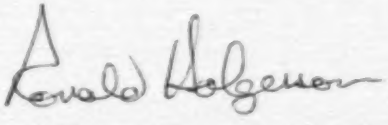
The Tourism Consumer Information System (TCIS) revitalization moved forward as one of the organization's major priorities. The multi-year redevelopment of TCIS has completed release one (of four releases), on-schedule and on-budget.

TEMP and TIPP were revitalized to further increase overnight stays and out-of-province visitation. OTMPC was also pleased to integrate dedicated deadlines for program applicants.

OTMPC also worked closely with other government agencies, attractions and ministries to further mutual objectives, including the *Fun Pass* distributed to elementary school-age children, and the Ontario Music Strategy supporting live music as a motivation for tourism.

OTMPC staff now is actively engaged in organizational culture change, and its passion for tourism is inspirational. Ontario's tourism partners are simply great to work with, and their commitment provides motivation to grow tourism expenditures in Ontario. On behalf of OTMPC staff, I would like to particularly acknowledge the guidance and support of the members of the Board of Directors and Advisory Committees.

A personal note of gratitude to Antoni Cimolino; whom I have had the pleasure of working with for the past two and a half years. Antoni's enthusiasm, guidance and dedication provided OTMPC with commendable leadership. He will be missed as Chair, however, we look forward to continuing to work with him as a strong tourism partner in the years to come.



Ronald Holgerson, President & CEO

Ontario Tourism Marketing Partnership Corporation

CORPORATE OVERVIEW

Corporate Overview

VISION

To inspire travellers to discover Ontario. (2010–2013)

Revised in-year through industry and OTMPC Board input:

To position Ontario as a preferred global destination. (2014–2017)

MISSION

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. The Corporation works strategically, proactively and collaboratively with the tourism industry to market Ontario's tourism experiences and leverage multi-year marketing opportunities and investments in key markets. By working to improve continuously and evolve as a successful private/public partnership, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination. (2010–2013)

Revised in-year through industry and OTMPC Board input:

To generate increased visitation by Ontario, Canadian and international tourists, enhance tourism expenditures in Ontario, and contribute to provincial economic prosperity through impactful marketing and results oriented investment partnerships. (2014–2017)

MANDATE

OTMPC is governed by Ontario Regulation 618/98 under the *Development Corporations Act*. Its mandate, as provided for in the regulation, is:

(a) to market Ontario as a travel destination;

(b) to undertake joint marketing initiatives with the tourism industry;

(c) to support and assist the marketing efforts of the tourism industry; and

(d) in cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The following principles support the mandate:

(a) OTMPC is to lead the marketing of Ontario as a travel destination nationally and internationally;

(b) OTMPC and regional organizations are to work together to market travel within Ontario;

(c) OTMPC is to deliver marketing services that contribute to regional and economic development;

(d) OTMPC is to become a centre of excellence supporting provincial marketing; and

(e) OTMPC is to engage in partnerships to support the above objectives.

OTMPC Structure

MARKETING

OTMPC's marketing team uses a targeted multi-media approach to connect with provincial, national and international consumers.

Brand Management and Canadian Marketing

OTMPC builds brand awareness through multiple channels within Ontario, across other provinces and internationally to position Ontario as a preferred vacation destination of choice.

International Marketing

OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers and travel agents. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in Canada, United States, United Kingdom, Germany, France, China, Japan, South Korea, India, Mexico and Brazil.

Media Relations

OTMPC develops and maintains close working relationships with members of the media in Ontario, priority Canadian markets, the U.S., and nine international markets, with special emphasis on customized media tours, as well as media marketplaces and events.

Digital Marketing

Digital marketing encourages local and international consumers to consider travel to Ontario while connecting them to industry partners to book their travel. TCIS maintains consumer and corporate websites that promote experiences and travel packages, provides information to potential visitors, and offers tools and information to the tourism industry. The system also includes a consumer database, a literature delivery service, a bulk distribution centre and a 1-800-ONTARIO contact centre.

Market Research

OTMPC conducts tourism research that provides market intelligence and consumer behaviour analysis to enable tourism operators to make informed business decisions and help market their products more effectively.

Special Projects

OTMPC works with government and industry partners to leverage major international events, such as 2014 World Pride and the TORONTO 2015 Pan/Parapan Am Games.

INDUSTRY RELATIONS

The industry relations team works to effectively partner with the tourism industry to market Ontario as a year-round travel destination.

Partnerships and Regional Relations

OTMPC offers its partners the opportunity to market their products under the Ontario tourism brand and to enter important or new markets that might be challenging to access on their own. Sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million dollar annual program.

TEMP and TIPP (formerly TEMPP and IPPP)

OTMPC provides support for co-operative marketing ventures with the tourism industry that promote Ontario as a premier destination. In 2013, OTMPC received approval to reconstitute these programs to better focus on initiatives and media buys for consumers outside of Ontario borders. Through TIPP, OTMPC works with tourism marketing groups to assess their partnership ideas and to provide assistance to help make them happen. Through TEMP, OTMPC assists in the marketing of select events and festivals around the province.

Northern Partnerships

Northern partnerships are designed to foster visitation to Northern Ontario, focusing on visits to Regional Tourism Organizations (RTOs) 12 and 13 A, B, and C and marketing the province's angling, hunting, motor sports touring and world-class outdoor experiences. The Northern Office supports the Northern Tourism Marketing Committee, an Advisory Committee.

Ontario Travel Information Centres

Travel centres provide Ontario's official welcome. Operated and staffed by trained counsellors, OTMPC's 11 Ontario Travel Information Centres (OTICs) provide visitors with valuable, practical, on-the-spot information and advice on where to go and what to see and do in Ontario. Two of OTMPC's OTICs are located in ONroute service centres along Highway 401 in Bainsville and Tilbury. OTMPC also supports ONroute Centres' self-service provincial information stations.

CORPORATE SERVICES

The corporate services team oversees financial management, business planning, procurement, human resources, and facility and records management for OTMPC. This program area is also responsible for business continuity planning in the event of an emergency.

PRESIDENT'S OFFICE

The President's Office provides executive support and assistance to the President and Chief Executive Officer in the operational planning, management and implementation of policies, programs and the Agency's initiatives and priorities. Along with corporate communications, staff manage business operations for the President and CEO, Board of Directors and RTO, Sector, Marketing Metrics and Northern Tourism Marketing Advisory Committees, and ongoing liaison with the Ministry of Tourism, Culture and Sport. Corporate communications staff works closely with marketing, sales and media relations staff to develop and implement targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences and promote tourism's contribution to economic prosperity.

Corporate Governance

OTMPC is governed by a Board of Directors comprised of business leaders who are appointed by the Lieutenant Governor in Council, based on recommendations from the Minister of Tourism, Culture and Sport. The Minister receives advice on Board membership through OTMPC's Governance and Nominations Committee and other interested parties.

The Directors sit on various committees of the Board, including the Executive Committee with a Human Resources Sub-Committee, the Audit, Finance and Risk Committee, and the Governance and Nominations Committee:

Executive Committee: Chaired by Antoni Cimolino, the Committee sets priorities and recommends objectives and strategies to the Board.

Audit, Finance and Risk Committee: Chaired by Peter Fullerton, the Committee reviews financial performance and ensures that effective operating controls are in place.

Governance and Nominations Committee: Chaired by Jack Robinson, the Committee undertakes assessment of directors' skills, succession planning and recruitment for Board and Advisory Committees.

OTMPC also benefits from the wisdom, insight and advice of the four **Advisory Committees**:

Regional Tourism Organization Advisory Committee – supports the coordination, collaboration and alignment of RTO and OTMPC marketing programs and brand.

Sector Advisory Committee – focuses on tourism industry collaboration and promotion of experiences to all markets.

Marketing Metrics Committee – ensures appropriate performance measures for both OTMPC and the tourism industry are in place and reported.

Northern Tourism Marketing Committee – develops and monitors marketing strategies, tactics and programs for key Northern Ontario markets.

BOARD OF DIRECTORS

(terms listed as per fiscal year April 1, 2013 – March 31, 2014)

Mr. Antoni Cimolino, Chair
Artistic Director,
Stratford Shakespeare Festival
Stratford
February 2, 2002 – May 12, 2012 (Member)
May 13, 2012 – April 12, 2014 (Chair)

Mr. Patrice S. Basille
Executive Vice President & General Manager,
Brookstreet Hotel
Ottawa
August 15, 2012 – August 14, 2015

Mr. William Knowlton
Vice President,
Jonview Canada
Toronto
October 25, 2012 – October 24, 2015

Ms. Leslie Krueger
Vice President,
Denneboon Inc.
Mississauga
August 29, 2012 – August 28, 2015

Mr. David Kuo
Vice President, Toronto Metro,
HSBC Bank Canada
Toronto
October 20, 2010 – October 19, 2016

Mr. Allan Luby
President, Captain,
Lake Navigation (Kenora) Ltd.
Kenora
July 30, 2007 – June 26, 2016

Mr. David MacLachlan
Owner,
North to Adventure
Sault Ste. Marie
February 1, 2013 – February 21, 2014

Mr. Jim Marchbank
Former Chief Executive Officer,
Science North
Sudbury
September 24, 2008 –
August 28, 2015

Ms. Grace Sammut
Executive Director,
Resorts of Ontario
Orillia
August 7, 2013 – August 6, 2016

Mr. Peter C. Fullerton
Partner,
Grant Thornton LLP
North York
March 23, 2011 – March 22, 2017

Mr. Chisanga Puta-Chekwe
Deputy Minister,
Ministry of Citizenship and Immigration
Toronto
March 2, 2011 – March 1, 2017

Mr. Brian Richardson
Vice President, Brand Marketing & Communications,
Fairmont Hotels
Toronto
June 11, 2008 – June 10, 2013

Mr. Jack Robinson
Chief Executive Officer,
CN Tower
Toronto
July 18, 2012 – July 17, 2014

Mr. Leslie Smith
Executive Director,
Smart Serve Ontario
Toronto
January 9, 2013 – January 8, 2017

Mr. Gregory Treffry
Vice President, Partner Development,
Shaw Media
Toronto
February 9, 2011 – February 8, 2017

Ms. Michelle Young
Manager,
Air Canada
Toronto
January 9, 2013 – January 8, 2014

ADVISORY COMMITTEES

Regional Tourism Organization Advisory Committee

Karen Squires, Chair
Vice President of Marketing,
Ottawa Tourism
RTO 10

Donna McLeod, Vice-Chair
Executive Director,
City of Greater Sudbury
RTO 13A

Jen Moore
Marketing Manager,
Southwest Ontario Tourism Corp.
RTO 1

Tina Truszyk
Director of Marketing,
Tourism Partnership of Niagara
RTO 2

Maria Fortunato
Executive Director,
Hamilton Halton Brant RTO
RTO 3

David Peacock
Executive Director,
Regional Tourism Organization 4 Inc.
RTO 4

Joel Peters
Chief Marketing Officer & Senior Vice President,
Tourism Toronto
RTO 5

Chuck Thibeault
Executive Director,
RTO 6 – Central Counties
RTO 6

Bill Sullivan
Executive Director,
Regional Tourism Organization 7
RTO 7

Karen Theriault
Executive Director,
Regional Tourism Organization 8
RTO 8

Krista Doyle
Marketing & Communications Coordinator,
Region 9 RTO
RTO 9

Julie Mulligan
Marketing Manager, Ontario's Highlands Tourism Organization
RTO 11

James Murphy
General Manager,
Explorer's Edge
RTO 12

Ian McMillan
Executive Director,
Tourism Sault Ste. Marie, Sault Ste. Marie Economic Development Corp.
RTO 13B

Paul Pepe
Manager,
Tourism Thunder Bay
RTO 13C

Patrice Basille
Board Director Representative, Executive Vice President & General Manager,
Brookstreet Hotel Corp.

Sector Advisory Committee

Brenda Branch, Chair
Marketing & Promotions Officer,
Hamilton Civic Museums,
Planning and Economic Development Department
City of Hamilton

Gary Masters, Vice-Chair
Executive Director
Festivals and Events Ontario

Michele Bosc
Director of Marketing
Château des Charmes Wines

Philippe Kopcsan
General Manager Canada, Latin-America Vice President Development and Management Control
Le Cordon Bleu

Rick Naylor
President
Accucom Corporate Communications Inc.

Anita Gaffney
Administrative Director
Stratford Shakespeare Festival

Bryan Mercer
Director, Marketing
St. Lawrence Parks Commission

Betty McGie
CEO
Watson's Algoma Vacations & Watson's Skyways Ltd.

Jill Quast
Owner-Operator
Happy Days Houseboats

Lisa Tompkins
Director, Marketing and Communications
CN Tower

Scott Davidson
National Historic Site and Visitor Experience Manager
Bethune Memorial House,
Parks Canada

Rebecca LeHeup
Executive Director
Ontario Culinary Tourism Alliance

Grace Sammut
Executive Director
Resorts of Ontario

Louise Lacroix
Executive Director
Direction Ontario

Gordon Orr
CEO
Tourism Windsor Essex Pelee Island

Elaine Bald
Director of Business Development
Meridian Reservation Systems

Beth Potter
President & CEO
Tourism Industry Association of Ontario

Harry Patel
Director of Operations
Northampton Group Inc.

Ernst Flach
Executive Director, Global Marketing
Canadian Tourism Commission

Jim Marchbank
Board Director Representative
Former Chief Executive Officer,
Science North

Marketing Metrics Committee

Dr. Marion Joppe, Chair
Research Chair, Tourism
School of Hospitality and Tourism Management
University of Guelph

Dr. Alan Middleton
Executive Director,
Schulich Executive Education Centre
Assistant Professor of Marketing,
Schulich School of Business
York University

Paul Nursey
Vice President of Strategy and Corporate Communications
Canadian Tourism Commission

Joan Brehl
Vice President/General Manager
ABC Canada

Milos Vranesevic
Vice President/Business Leader, Merchant & Sponsorship Marketing
MasterCard Worldwide Canada

Andrew Weir
Vice President, Communications and Research
Tourism Toronto

Sean Shannon
V.P. and General Manager
Expedia Canada

Alex Athanassakos
Team Leader,
Tourism Policy and Research
Ministry of Tourism, Culture and Sport

Allan Luby
Board Director Representative
President, Captain,
Lake Navigation (Kenora) Ltd.

Northern Tourism Marketing Committee

Carol Caputo, Chair
Executive Director
Algoma Kinniwabi Travel Association

David MacLachlan
Owner
North to Adventure

Kathy Ball
Funding & Sponsorship Coordinator, Waterfront Development
City of Thunder Bay

Jose Garcia
Owner
Southbay Gallery & Guesthouse

Sean Mackey
General Manager
Quality Inn, New Liskeard

Marg Watson
Owner
Sudbury Aviation

Dave Cartmill
General Manager
Day's Inn, Sault Ste. Marie

Brad Greaves
Owner
Ignace Outpost

Andrew Ryeland
President
Bear Claw Tours

Adam Wilcox
Director, Business Development
Porter Airlines Inc.

Eric Brown
General Manger, Totem Resorts
Sioux Narrows

Meredith Armstrong
Manager of Tourism and Culture
City of Greater Sudbury

Bill Chambers
Owner
Pine Grove Resort Cottages

Ian McMillan
Executive Director
Tourism Sault Ste. Marie

Kory Morabito
Sales Manager, Prince Arthur Waterfront Hotel and Suites
Thunder Bay

Marty Kalagian
President, Tourism Northern Ontario
Sault Ste. Marie

Allan Luby
Board Director Representative
President, Captain,
Lake Navigation (Kenora) Ltd.

Jim Marchbank
Board Director Representative,
Former Chief Executive Officer,
Science North

In the fall of 2013, the OTMPC Board of Directors approved and launched a new *2014–2017 Strategic Plan.*

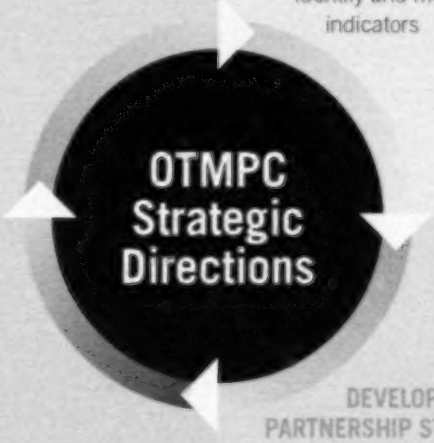
THE FOUR STRATEGIC PILLARS ARE:

BUILD AND DELIVER THE CASE FOR INVESTMENT

- Champion the economic value and impact of tourism industry sectors
- Create and support inter-ministerial synergies
- Generate an effective communications strategy that celebrates the tangible benefits of investing in building the Ontario tourism brand
- Enhance links to and relationships with business industry leaders (e.g., Chambers of Commerce)

BUILD A POWERFUL BRAND THAT DRIVES RESULTS

- Create and effectively execute the big brand idea – an emotional campaign to drive tourism visits and spend aligned to the brand strategy
- Focus on key target markets and their audiences using OTMPC marketing
- Encourage the tourism industry to develop content/ packages to attract the international market – 'Ontario Signature Experiences'
- Identify and measure against key performance indicators



EMBRACE ORGANIZATIONAL INNOVATION AND EFFECTIVENESS

Board

- Actively participate to strengthen strategic relationships that champion and promote tourism's value and economic impact

Committees

- Inform and advise on tourism's value to the economy

OTMPC

- Foster a culture of leadership, passion and accountability
- Encourage and reward fact-based decision making
- Operate with an investment mindset
- Be forward looking and find new and innovative products

DEVELOP AND EXECUTE AN EFFECTIVE PARTNERSHIP STRATEGY

- Maximize stakeholder investment in OTMPC marketing programs
- Champion the Ontario brand to partners to adopt into their campaigns
- Secure new external and private sector partners to participate in OTMPC programs
- Measure and track brand alignment and partner investments

LINKS TO MINISTRY PRIORITIES

OTMPC continued to work with the Ministry of Tourism, Culture and Sport to implement the key initiatives agenda including coordinating consumer research for the regions and undertaking joint marketing activities.

Tourism and Cultural Agency Promotion

OTMPC worked with the Government of Ontario's tourism and cultural agencies and attractions to promote Ontario's cultural and tourism assets.

1812 Commemorative Celebration

OTMPC worked with the Ministry of Tourism, Culture and Sport to develop strategies to promote travel to communities of historical significance related to the War of 1812.

2014 World Pride

OTMPC developed a marketing strategy in partnership with Travel Gay Canada, Tourism Toronto and the CTC to promote 2014 World Pride and encouraging travellers to visit Ontario for this event.

2015 Pan Am/Parapan Am Games

OTMPC worked in collaboration with the Toronto 2015 Games Organizing Committee, the CTC, the ministry's Investment Development Office, Pan Am/Parapan Am Games Secretariat and several RTOs (Niagara, Hamilton Halton Brant, Greater Toronto Area (GTA), York, Durham and The Hills of Headwaters, Bruce Grey Simcoe, Haliburton Highlands to the Ottawa Valley) on a tourism marketing strategy to leverage the 2015 Games.

150th Anniversary of Canada's Confederation (2017)

OTMPC is preparing to celebrate the 150th anniversary of Canada as a nation and Ontario as a province.

Live Music Strategy

OTMPC supported the ministry's strategy to strengthen Ontario's position as a global leader for live music.

BUILD AND DELIVER THE CASE FOR INVESTMENT

OTMPC, with a 2013–14 base allocation of $40.1 million, promoted Ontario as preferred global travel destination to consumers on four continents; priority countries included the U.K., Germany and France in Europe, Canada, the U.S., Mexico and Brazil in the Americas, and China, Japan, South Korea and India in Asia.

As a public/private partnership, OTMPC collaborated with industry partners to develop and deliver integrated evidence/research-driven marketing programs.

OTMPC provided a full range of services including targeted marketing campaigns, media relations, market education seminars, trade operator partnerships, advertising and funding opportunities, consumer information services, two partnership grant programs and consumer insights from market research.

Partnering with Government Agencies

OTMPC continued to promote heritage, culture and tourism agencies and attractions in various ways, including a *Fun Pass* coupon book distributed to elementary school children. Additionally, eight Ontario government agencies partnered with OTMPC with purchased advertising in the 2013 *ONTARIO* magazine.

OTMPC continued to develop its Aboriginal tourism product strategy while also collaborating with the ministry's Culture Division on the Ontario Tourism Music Strategy.

OTMPC Board of Directors

Throughout the year, Board members attended various events including inter-provincial, national and international meetings representing OTMPC and the Ontario tourism industry. Events included the Ontario Tourism Summit, Rendez-vous Canada, CTC meetings, and provincial marketing organization meetings. As well, the OTMPC's Board of Directors agreed to measure and report on Board attendance performance, achieving an average 2013–14 Board meeting attendance of 75%.

BUILD A POWERFUL BRAND THAT DRIVES RESULTS

Targeted Multi-year and International Marketing Strategy

In 2013–14, OTMPC adopted a three-tier market prioritization strategy. Tier 1 markets were targeted through OTMPC brand advertising, travel trade and media relations, including: Ontario, Quebec, the U.S. (New York, Michigan, Pennsylvania) and China. Tier 2 markets were targeted through OTMPC-CTC partnerships, travel trade and media relations, including the U.K., Japan, Germany, Brazil, France and India. Tier 3 markets were targeted through media relations, including South Korea, Mexico and the rest of Canada.

Tourism Consumer Information System

Consumers around the world are increasingly using digital channels (i.e., websites, search engines, e-mail, social networks and mobile) to help them with tourism planning and to make travel purchase decisions. The current system consists of: websites in multi-languages; a contact centre (responds to 150,000 inquiries each year); a distribution service (providing 130,000 brochures, magazines and maps); and a database that allows OTMPC to stay in touch with 260,000 consumers and almost 16,000 industry operators. In 2012, OTMPC received approval to update and redevelop TCIS to better meet evolving consumer expectations. In fall of 2013, this multi-year redevelopment of the TCIS completed release one (of four) of the new system, on-schedule and on-budget.

U.S. Campaigns

In the U.S., OTMPC partnered with Ottawa, Toronto and Niagara on a consumer print and digital campaign targeting New York City, Boston, Chicago and Washington, D.C. Print and digital ads appeared in popular magazines and portals such as *Architectural Digest, The New Yorker, The New York Times' T* magazine and Yahoo. An Ontario-branded destination experience was launched on Xbox Live for the first time in the U.S. giving connected consumers a chance to discover Ontario virtually. YouTube also continued to be deployed actively to followers.

Ontario International Brand

In 2012, OTMPC engaged LEVEL5 Strategy Group and Hotspex Inc. to conduct comprehensive international brand research. The initial survey included almost 8,500 adult leisure travellers from 10 long- and short-haul markets and brand concepts were tested on almost 5,000 respondents. In 2013, results from this research were shared with the RTOs to provide them with market intelligence that would assist with marketing planning.

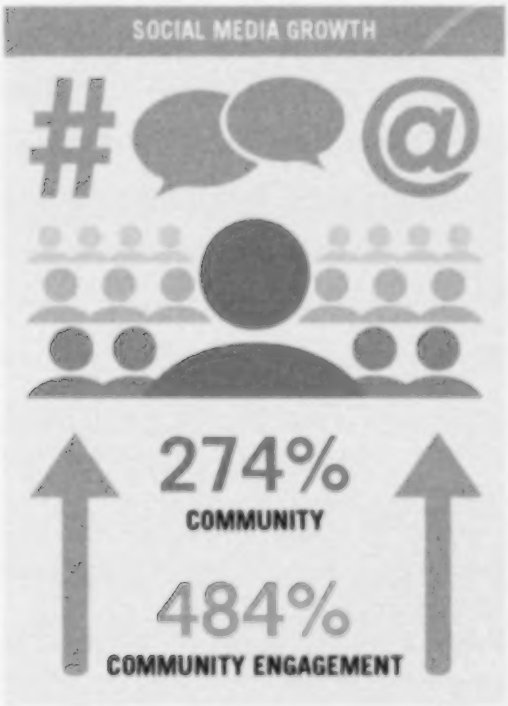
Ontario Campaigns

A 30-second 'My Ontario' TV commercial aired for five weeks on major networks (three weeks in April; two weeks in June). In June, *ONTARIO* magazine was released in English and French, with 455,000 copies, plus an online and tablet version. Retail packages on the consumer website, www.ontariotravel.net, supported this campaign geared to family, couples and outdoor enthusiasts. Social media channels such as Facebook and Twitter launched the 'My Ontario Moments' and Getaway Collections Contests. The Discover Ontario mobile app was refreshed for travel users.

Tourism Week (June 10–16, 2013), activities included regional launches in Barrie (June 4), St. Catharines (June 6), Sault Ste. Marie (June 10) and Windsor (June 11), as well as open houses at other OTICs across the province. On June 7, at Toronto's Yonge/Dundas Square, the annual Ontario Tourism Day celebration was held. The 'Newcomers to Ontario' campaign continued to focus on South Asian and Chinese communities through participation at two multicultural festivals in the GTA; a partnership with *Ming Pao* and *Sing Pao* newspapers and spots on Sing Tao Radio A1 Chinese Radio (AM 1540).

In fall 2013, OTMPC's digital strategy included a three-pronged campaign that promoted fall packages to the 'Outgoing Mature Couples' consumer segment, the fall *ONTARIO* tablet magazine and the 'Fall Drive Favourites' contest on Facebook. The campaign drove over 30,000 consumer visits to the fall packages and magazine featured on www.ontariotravel.net as well as 7,000 new followers on www.facebook.com/OntarioTravel. At the end of the quarter, a similar digital media campaign promoting winter travel ideas in Ontario was launched. Tactics included the 'Ontario Shines Bright' contest on Instagram (www.Instagram.com/OntarioTravel), which was promoted through social media channels and resulted in over 600 user-submitted images of Ontario locations. Similarly, a web and digital media campaign was launched in support

of the winter 2013 *ONTARIO* tablet magazine released mid-November with activities specific to promoting winter packages. Other fall and early winter digital marketing tactics in-market included search engine, email and social media marketing, contributing to over 360,000 total consumer interactions derived from digital media in the third quarter. OTMPC's media relations team worked with the *Amazing Race Canada* producers to ensure Ontario was showcased during the broadcast and through social media engagement as an exciting place to travel. Overall annual performance indicators for social media indicated a 274% growth in community (195,000 fans) and 484% growth in community engagement (350,000 conversations).



Northern Ontario Campaigns

During the first quarter, several consumer campaigns promoted Northern Ontario and key cities (Thunder Bay, Sault Ste. Marie, Sudbury and Timmins) through a Porter Airlines and RTO 13 partnership, targeting Chicago and the GTA. A motorcycle touring campaign, through OTMPC's 'Go Ride' program, targeting Winnipeg, Minneapolis, Detroit and the GTA took place in late March 2014. The Northwest Caribou Quest Adventure Contest which featured fly-in fishing, canoeing and wildlife viewing throughout Northwest Ontario, ended late May 2013.

Outdoor experiential programs continued to engage consumers through radio and TV including operator interviews and aggressive digital and social strategies including the Northern Portal, www.canadasgreatoutdoors.com and the motorcycle and recreational vehicle (RV) trip planning tool, www.gotourinontario.com.

The annual Ontario Outdoor Adventure Calendar was released in November 2013. The calendar highlighted Manitoulin Island and the Great Spirit Circle Trail and the Best of Outdoor Ontario contest featured a seven-day outdoor adventure experience on Manitoulin Island and Georgian Bay with celebrity hosts Dave and Deb from 'The Planet D', an adventure travel blog for couples.

Other tactics included a strategic focus on the North Carolina market and a partnership with the Carolina Hurricanes targeting avid anglers in outdoor publications. To reach powersports, nature and adventure experiences, speciality outdoor television and radio outlets in Ontario and key U.S. markets were used along with digital and social media efforts, including the 'Go Tour in Ontario' motorcycle and RV trip planner.

OTMPC Northern staff attended 14 outdoor consumer shows including the Toronto Outdoor Adventure Show, Travel and Adventure Show in Chicago, Canoecopia in Wisconsin, the Toronto Sportsmen's show, the Great American Outdoor Show in Harrisburg, Pennsylvania and Salon de la Moto in Montreal.

Media relations and outreach continued to be a key priority including a media event at the Toronto Motorcycle Show highlighting Ontario's best motorcycle rides and leveraging the on-going travel bloggers from 'The Planet D'. Media fam tours and outreach supported snowmobile, ice fishing, snowshoeing and 'The Planet D'. Several travel trade initiatives were supported including a joint marketing initiative with Rhodes Scholar, fam tours, industry training and marketing Ontario's outdoor experiences in England and Germany.

Working in collaboration with Tourism Northern Ontario (RTO 13), marketing partnerships were implemented with Sault Ste. Marie targeting winter experiences with the 'Big Snow' campaign (Michigan and Ontario), Sudbury and Science North promoting March Break programs by reaching key Southern Ontario markets and a targeted digital campaign with Northwest Ontario.

The OTMPC 'Go Ride' program promotes snowmobile, all-terrain vehicle (ATV), motorcycle and boat touring in the province. OTMPC worked closely with RTOs to promote fall motorcycle touring through social media channels, the northern portal and media relations.

Promotion of snowmobile touring continued at consumer shows and through online tactics in partnership with the RTOs and the Ontario Federation of Snowmobile Clubs (OFSC).

A winter partnership with the Ontario Snow Resorts Association, OFSC and The Weather Network was launched mid-December 2013 at Mount St. Louis Moonstone to promote Ontario's winter experiences. Nine locations across Ontario were showcased.

Quebec Campaign

OTMPC launched the third and final year of its popular campaign 'La Plus Grande Expo'. Billboards throughout Montreal showcased photo memories of Ontario as captured by Quebec locals. This included online components directing consumers to www.ontariotravel.net, Facebook and Pinterest. A customized French tablet version of the *ONTARIO* magazine was released in early July featuring select photos from the campaign and profiles of the tourists who took them. OTICs partnered with Direction Ontario at three consumer shows in Montreal (Vélo Show, RV Show and Formula 1 Grand Prix Street Festival); Ontario travel counsellors were onsite to provide travel information to approximately 500,000 Quebec consumers.

Ontario Signature Experiences Program

After a fall 2013 launch, OTMPC will build the new Ontario Signature Experiences program in 2014 to foster development and promotion of iconic tourism experiences that drive visitation. Aligned with the CTC's Signature Experiences Collection program, Ontario's program will share the province's wide range of high-calibre tourism activities with international consumers while also addressing a lack of awareness about culinary, cultural and urban experiences across the province.

Rendez-vous Canada 2013 Ottawa

From May 12–15, 2013, Ottawa Tourism and OTMPC shared hosting duties at Rendez-vous Canada, the CTC's foremost annual travel trade show which brings together 1,500 international buyers and Canadian tourism suppliers. The event's 1,500 delegates were treated to an 'Ontario Night' event at the Canadian War Museum. An interactive Ontario display on the trade show floor served to further complement the Ontario experience. Select international buyers and media experienced even more Ontario first-hand via pre- and post-fam tours.

Key Performance Indicators

OTMPC continued to evaluate the success of its endeavours by focusing on a number of specific performance measures: destination awareness and ranking of Ontario as a destination by consumers, advertising return on investment (ROI), and conversion metrics for consumers choosing travel to or within Ontario. The Board-approved Balanced Scorecard continued to be used by the Board to assist with evaluating agency program areas.

Awards

Each year, OTMPC presents the Ontario Tourism Marketing Awards of Excellence and Travel Journalism Awards of Excellence. Submissions from industry are accepted and reviewed by a panel of third-party industry professionals for each award category. The 2013 winners were:

Best Marketing Initiative Under $25,000
Winner: Township of Huron-Kinloss

Best Tourism Marketing Partnership
Winner: Algoma Country and Thunder Bay Tourism

Best Tourism Advertising
Winner: Kingston Accommodation Partners

Best Interactive Marketing
Winner: Skyline Hotels and Resorts

Best Printed Collateral Material
Winner: Tourism Partnership of Niagara

Best Travel Media
Winners: Mark Stevens and Amy Rosen

Best Travel Photography
Winner: Sharon Matthews-Stevens

Best Travel Blog
Winner: Colin Field

OTMPC would also like to congratulate the 2013 winners of the Tourism Industry Awards of Excellence (presented by the Tourism Industry Association of Ontario) and the Ontario Culinary Tourism Awards of Excellence (presented by the Ontario Culinary Tourism Alliance).

DEVELOP AND EXECUTE AN EFFECTIVE PARTNERSHIP STRATEGY

Partnership Strategy

In 2013, staff began to develop a new Partnership Strategy to be launched in 2014. This strategy intends to secure new external and private sector partners to participate in OTMPC programs.

OTMPC staff has begun delivering Consumer Insight Research workshops to RTOs to encourage championing the Ontario brand for partners to adopt into their campaigns.

TEMP & TIPP

The Ministry of Tourism, Culture and Sport approved the OTMPC's Board recommendations of revising TEMP as follows: funding up to 75% of applicants' Ontario media buys (to a maximum of $20,000) and 50% of applicants' media buys outside Ontario (to a maximum of $150,000), to a total maximum of $170,000 per applicant. The Ministry also approved changes to TIPP where the program will have a greater emphasis on out-of-province media buys with funding support of up to 40% of an applicant's out-of-province tourism media buy to a maximum of $200,000.

In 2013–14, OTMPC supported 109 festivals and events through TEMP to help them promote and encourage more visitors to travel around the province and stay overnight. OTMPC also partnered with Festivals and Events Ontario to produce more than 250,000 copies of the 2013–14 *Festivals and Events in Ontario* guide and with Attractions Ontario to produce and distribute more than 900,000 copies of the 2013 *Attractions Ontario Passport* magazine and coupon book, and assisted TIAO in organizing and holding the Ontario Tourism Summit.

Through TIPP, OTMPC supported 10 industry marketing campaigns in key North American markets to entice consumers to visit Ontario destinations such as 1000 Islands, Goderich, Fort Erie, Ottawa, Fenelon Falls and Barrie.

Greater Toronto Airport Authority Partnership

OTMPC continued to partner with a business consortium comprised of Air Canada, Tourism Toronto, Greater Toronto Airport Authority (GTAA) and the Tourism Partnership of Niagara to target U.S. consumers. This program generated over 19,000 airline tickets and over 35,000 room nights to Ontario.

Fun Pass

2013 *Fun Pass* was distributed to 1.4 million students via school boards, direct mail and online throughout June. The *Fun Pass* is a book of coupons that allows kids to get in free at 19 popular Ontario government tourism and culture attractions while on summer vacation, when accompanied by an adult or senior.

Alignment with Partners

OTMPC continued to encourage partners to utilize its brand, and as mentioned earlier, re-launched partnership programs (TIPP, TEMP) to better focus funding to cross- border consumers.

China Microfilm

OTMPC in partnership with founding partners Tourism Toronto and Ottawa Tourism as well as, the Niagara Parks Commission, Air Canada and many other partners supported the production of a short film for the Chinese market. The microfilm, 'Mission Ontario', features Toronto, Ottawa, Niagara Parks Commission and an Aboriginal pow-wow as principal locations and will be broadcast in China in 2014 to several million viewers via 481 television stations in China as part of the 2nd International China Microfilm Festival and its affiliated re-broadcast.

Ontario Travel Information Centres

OTMPC operated a network of 11 travel information centres in high traffic locations across Ontario. In 2013, staff assisted 904,000 visitors with travel inquiries, a 9.5% increase over 2012–13.

OTMPC continued to work on relocating its travel centre in downtown Toronto at the Atrium on Bay to Union Station. A 2,254 sq. ft. space has been secured in newly built space and working with Infrastructure Ontario, OTMPC anticipates a move-in date in 2014.

Currently, Union Station services 40 million travellers annually. The volume of travellers is expected to grow with the opening of the new air-rail link (UP Express) between Union Station and Toronto Pearson International Airport.

OTMPC also continues to work in partnership with the Ministry of Transportation to implement travel information services as part of the revitalization of its 23, 400-series highway ONroute service centres.

EMBRACE ORGANIZATIONAL INNOVATION AND EFFECTIVENESS

The OTMPC Board of Directors meets four times a year to provide advice, strategic direction and oversight related to agency activities. In 2013, the Board launched a few standing agenda items to monitor implementation of the Strategic Plan and TCIS revitalization. The Board members represented OTMPC at industry events to demonstrate member support for the Ontario tourism industry while championing tourism's importance to the Ontario economy. OTMPC's senior management team and staff continued to build government and industry links and develop partnerships to strengthen relationships.

New Strategic Plan

In the spring of 2013, staff began the consultation process to develop the new 2014–2017 Strategic Plan which was approved and adopted by the Board on November 27, 2013. Staff consulted all Advisory Committees, conducted a SWOT (strengths-weaknesses-opportunities-threats) analysis and held a strategic planning session with the Board.

President's Counsel on Innovation and Creativity

A 'President's Counsel on Innovation and Creativity' was created in the summer of 2013 to encourage innovation and creativity within OTMPC's organizational culture. The committee meets quarterly and members include the CEO and staff volunteers from all program areas of OTMPC. Meetings so far have discussed the following topics: defining organizational culture, innovation and the workplace and innovation priorities.

Team and Staff Meetings

OTMPC regularly held team meetings throughout the year including the Directors' Table, Leadership Committee, regular All-Staff meetings, ongoing team meetings, Health and Safety Committee, Social Committee and an annual Team Meeting with the President.

OTMPC has also implemented enhanced accountability measures related to expenditures and procurement, and invested in learning opportunities and internal activities. OTMPC continued to operate within its employee allocation while accomplishing the organizational culture shift.

Staff Recognition and Awards

In 2013, several staff received awards for excellence in their field:

Kathryn Forgacs, *Research Manager*, received Excellence in Research Awards from the Marketing Research and Intelligence Association:

- **Best Multinational Award for the International Brand Research**
- **Client Side Researcher Impact and Effectiveness Award**

Liana Guiry, *Vice President, Marketing* and the Marketing Team received the Excellence in Marketing Award from the Canadian Marketing Association:

- **Silver Award for the OTMPC/Diamond Marketing 2012 Newcomer Program**

Lidia Maleckyj, *Manager, Finance and Business Planning*, received the Service Excellence Award from the Ontario Public Service:

- **Applause Award for Service Excellence**

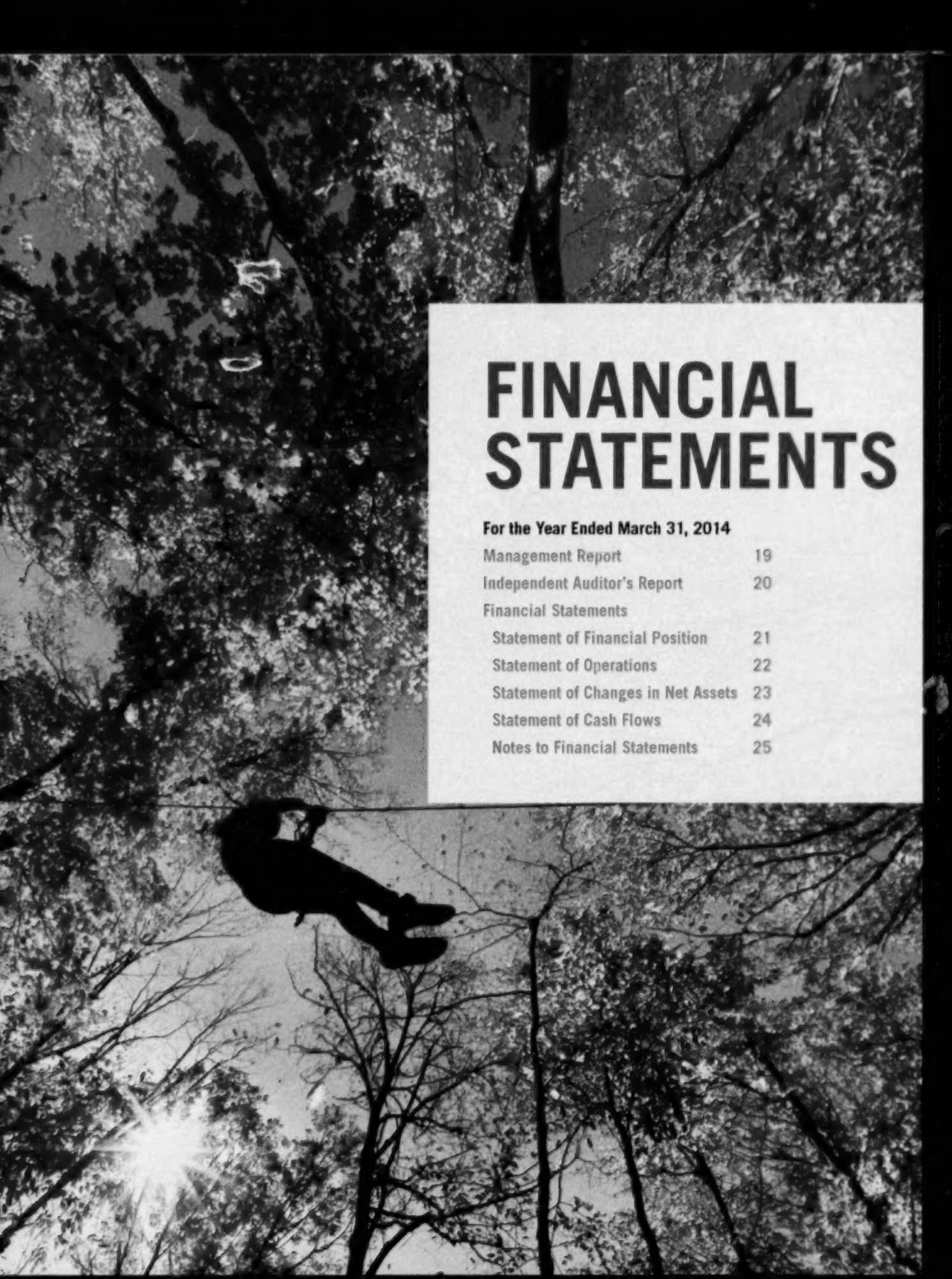
OTMPC Performance Measures

Program	Objective	Performance Measure
Build a strong brand that showcases Ontario's diverse experiences	To increase Ontario's brand awareness (domestic & U.S.) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways
	To strengthen Ontario's distinct brand image versus the competition	
		Having fun and being entertained (fun)
		A place where it is easy to have a vacation (easy)
		A place that has a lot to see and do (diverse)
	Figures provided are an average rating on a 10 point scale	A place where you can experience something new and different (dynamic)
Core Program	To increase return on brand and partnered program investments made by OTMPC	ROI is the incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs for Ontario
Media/Public Relations	To develop effective media promotions strategies that showcase Ontario's unique experiences	Advertising value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets
Respondents to the Advertising Tracking Study were asked the extent to which any OTMPC advertising they have seen or heard within the past few months influenced their decision to take any pleasure trips within Ontario during the respective travel season. Calculation of the ROI is based on those who definitely recall at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel within Ontario. *Based on New York City.		

Program	Objective	Performance Measure
Ontario Travel Information Centres	To increase visitation to the OTICs	Number of visitors to the OTICs
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced
Consumer Website	To provide information and generate interest in travel to Ontario	Web visits
	To connect consumers with tourism partners in order to complete the sale	Lead generation
Industry Partnerships	To develop partnered (public and private) programs with the tourism industry thereby leveraging OTMPC's marketing investment for the benefit of Ontario's tourism industry	Cash – dollar amount received by OTMPC from a partner for participation in OTMPC delivered programs and sales from OTICs Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment Leverage in-kind – the dollar amount that OTMPC partners contributed to partnerships
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services
Employee Engagement Survey	To improve organizational effectiveness	Measure degree to which employees feel engaged

	Season	2012–13 Results				2013–14 Target				2013–14 Results			
		ON	MTL	U.S. Near	U.S. Mid*	ON	MTL	U.S. Near	U.S. Mid*	ON	MTL	U.S. Near	U.S. Mid*
	Summer	58%	26%	16%	1%	58%	27%	17%	2%	57%	28%	19%	2%
		ON	MTL	U.S. Near	U.S. Mid*	ON	MTL	U.S. Near	U.S. Mid*	ON	MTL	U.S. Near	U.S. Mid*
	Summer	8.4	7.4	7.8	7.4	8.4	7.5	7.7	7.0	8.1	7.1	7.8	7.6
	Summer	8.4	7.9	7.6	7.3	8.6	7.9	7.5	7.1	8.4	7.8	7.6	7.7
	Summer	8.5	7.5	8.1	7.8	8.5	7.9	8.1	7.8	8.3	7.3	8.0	7.9
	Summer	7.9	6.8	7.8	7.9	7.8	7.1	7.7	7.6	7.4	6.4	7.8	7.9
	Summer Winter	Ontario $14.40:1 Results available for summer only; no substantive campaign ran in the winter				Ontario $5.50:1 $5.50:1				Ontario $16.3:1 Results available for Summer only; no substantive campaign ran in the winter			
		$128.36M				$50.20M				$89.54M			

	2012–13 Results	2013–14 Target	2013–14 Results
	825K	850K	904K
	336K	350K	381K
	3.0M	Benchmark year: OTMPC adopted new performance methodology	2.756M
	1.08M	770K Benchmark year: OTMPC adopted new performance methodology	751K
	$3.4M	$3.5M	$3.7M
	$12.2M	$10.2M	$11.7M
	$5.5M	$3.0M	$2.5M
	6.5/10	6.5/10	Deferred to 2014–15
	n/a	Ontario Public Service Staff Survey delayed until winter 2013–14	Available Q2 2014–15



FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

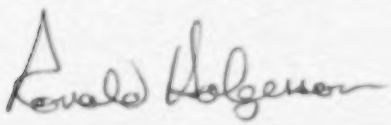
Management Report	19
Independent Auditor's Report	20
Financial Statements	
Statement of Financial Position	21
Statement of Operations	22
Statement of Changes in Net Assets	23
Statement of Cash Flows	24
Notes to Financial Statements	25

Management Report

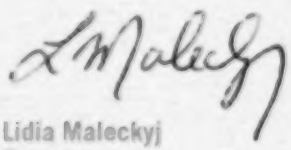
The accompanying financial statements are the responsibility of the management of the Ontario Tourism Marketing Partnership Corporation. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance the financial information is relevant, reliable and accurate and that the Corporation's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by BDO Canada LLP, a firm of independent external auditors appointed by the Board of Directors, whose report follows.



Ronald Holgerson
President and CEO
June 10, 2014



Lidia Maleckyj
Treasurer
June 10, 2014

Independent Auditor's Report

To the Board of Directors of
Ontario Tourism Marketing Partnership Corporation

We have audited the accompanying financial statements of Ontario Tourism Marketing Partnership Corporation, which comprise the statement of financial position as at March 31, 2014 and the statement of operations, statement of changes in net assets, and statement of cash flows for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Tourism Marketing Partnership Corporation as at March 31, 2014, and the results of its operations and its cash flows for the year ended March 31, 2014 in accordance with Canadian Public Sector Accounting Standards.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants
Mississauga, Ontario
June 10, 2014

Statement of Financial Position

	March 31 2014 ($ 000)	March 31 2013 ($ 000)
ASSETS		
Current		
Cash	**10,780**	2,069
Short-term investments	**–**	12,000
Accounts receivable	**1,295**	1,740
Due from the Province of Ontario	**4,224**	1,037
Prepaid expenses	**38**	35
	16,337	16,881
Capital assets (Note 3)	**1,320**	2,036
	17,657	18,917
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	**3,709**	5,206
Deferred revenue (Note 4)	**947**	1,030
	4,656	6,236
Obligation for employee future benefits	**1,876**	1,810
Deferred capital contributions (Note 5)	**278**	552
	2,154	2,362
	6,810	8,598
Net assets		
Unrestricted fund	**–**	135
Special projects fund (Note 2i)	**9,805**	8,700
Investment in capital assets	**1,042**	1,484
	10,847	10,319
	17,657	18,917

Approved on behalf of the Board:

Jim Marchbank
Chair

Peter C. Fullerton
Director

The accompanying notes are an integral part of these financial statements

Statement of Operations

For the year ended March 31	2014 ($ 000)	2013 ($ 000)
Revenues		
Province of Ontario Grant (Note 6)	**44,297**	43,667
Advertising sales	**2,561**	3,235
Travel Information Centres – Sales and rentals	**697**	746
Interest income	**110**	144
Trade promotions	**108**	248
Amortization of deferred contribution	**274**	258
Marketing research and other revenue	**84**	242
	48,131	48,540
Expenses		
Advertising and marketing	**26,488**	24,579
Partnerships and sales	**851**	1,248
Travel Information Centres (Note 7)	**5,368**	5,970
Administration (Note 8)	**7,062**	7,010
Tourism consumer information services	**2,640**	3,084
Events marketing program	**2,018**	2,162
Research	**667**	2,444
Amortization of capital assets	**1,319**	1,591
Board and committee expenses (Note 9)	**64**	37
	46,477	48,125
Excess of revenues over expenses	**1,654**	415

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

	Unrestricted Fund ($ 000)	Special Projects Fund ($ 000)	Investment in Capital Asset ($ 000)	2014 Total ($ 000)	2013 Total ($ 000)
Net assets, beginning of the year	**135**	**8,700**	**1,484**	**10,319**	9,904
Excess (deficiency) of revenues over expenditures for the year	**2,699**	**–**	**(1,045)**	**1,654**	415
Interest income	**–**	**73**	**–**	**73**	–
Reserve for TCIS redevelopment project	**(2,834)**	**2,834**	**–**	**–**	–
TCIS redevelopment expenses	**–**	**(1,199)**	**–**	**(1,199)**	–
Purchase of capital assets, net	**–**	**(603)**	**603**	**–**	–
Net assets, end of year	**–**	**9,805**	**1,042**	**10,847**	10,319

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

For the year ended March 31	2014 ($ 000)	2013 ($ 000)
OPERATING		
Excess of revenues over expenses	**1,654**	415
Add (less) non-cash items:		
Amortization of deferred capital contributions	**(274)**	(258)
Amortization of capital assets	**1,319**	1,591
Obligation for employee future benefits	**66**	27
	2,765	1,775
Interest Income – Special Project Fund	**73**	
TCIS Redevelopment Expenses – Special Project Fund	**(1,199)**	
Change in non-cash working capital	**(4,325)**	2,255
	(2,686)	4,030
INVESTING		
Sales (purchase) of short-term investments	**12,000**	(12,000)
CAPITAL		
Capital asset additions	**(603)**	(121)
Deferred capital contributions	**–**	121
	(603)	–
Increase (decrease) in cash during the year	**8,711**	(7,970)
Cash, beginning of year	**2,069**	10,039
Cash, end of year	**10,780**	2,069

The accompanying notes are an integral part of these financial statements

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. The Corporation commenced active operations on April 1, 1999. The objects of the Ontario Tourism Marketing Partnership Corporation are:

(a) to market Ontario as a travel destination;

(b) to undertake joint marketing initiatives with the tourism industry;

(c) to support and assist the marketing efforts of the tourism industry; and

(d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. However, related partner revenues and expenses are not included in the Corporation's financial statements.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations including the 4200 series of standards contained in the Chartered Professional Accountants (CPA) handbook.

(b) Revenue Recognition

The corporation follows the deferral method of accounting for revenues.

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – Sales and rentals

Revenue from Advertising sales and Travel Information Centres – Sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest Income is recognized in the period in which it is earned.

Other

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Partner Support

The Corporation benefits from donated services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Short-term Investments

Short-term investments consist of Guaranteed Investment Certificates with an initial maturity date of more than 3 months but a maturity date of less than 12 months at the statement of financial position date.

(e) Inventory

Inventory is comprised of merchandise available for sale at the Travel Information Centres.

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(f) Capital Assets

All capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over three to five years.

Assets in progress represent assets under construction or development. These assets are not amortized until they are put in use.

(g) Deferred Capital Contributions

Deferred capital contributions represent amounts received from Ministry of Tourism, Culture and Sport to finance the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related assets.

(h) Investment in Capital Assets

Investment in capital assets represents funds provided for capital assets. The financing of investment in capital assets is transferred from operations on an annual basis.

(i) Special Projects Fund

The Board approved the creation of a Special Projects Fund to provide for longer term special projects. The Fund represents externally and internally restricted funds required to meet financial costs of long-term special projects approved by the Board. At this time $5,073,000 (2013 – $5,000,000) of externally restricted funds and $4,732,000 (2013 – $3,700,000) of internally restricted funds are being held for the Tourism Consumer Information Services redevelopment project. Work on this project commenced in the summer of 2013 (Note 10a). Interest is being recorded in the Fund

on the externally restricted funds in accordance with the funding agreement.

(j) Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(k) Financial Instruments

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments.

Financial instruments are recorded at cost when acquired or issued. In subsequent periods, investments traded in an active market are reported at fair value. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(l) Employee Future Benefits

The costs of any legislated severance under the *Public Service Act of Ontario* and earned by employees are recognized when earned by eligible employees. These costs for the year amounted to $66,000 (2013 – $27,000) and are included in obligation for employee future benefits.

3. CAPITAL ASSETS

	2014 ($ 000)		2013 ($ 000)	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Furniture	**396**	**364**	395	321
Leasehold improvements	**1,677**	**1,599**	1,677	1,416
Tourism consumer information system	**5,880**	**5,273**	5,880	4,179
Assets in progress	**603**	**–**	–	–
	8,556	**7,236**	7,952	5,916
Cost less accumulated amortization		**1,320**		2,036

4. DEFERRED REVENUE

	2014 ($ 000)	2013 ($ 000)
Ministry of Tourism, Culture and Sport		
OTICS – Capital projects	**895**	259
Convention development fund	**–**	739
Advertising programs	**52**	32
	947	1,030

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received relating to acquisition of capital assets:

	2014 ($ 000)		2013 ($ 000)	
	Contributions	**Accumulated Amortization**	Contributions	Accumulated Amortization
Contributions received	**931**	**653**	931	379
Contributions less accumulated amortization		**278**		552

6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2014 ($ 000)	2013 ($ 000)
Core funding	**40,118**	41,510
Research Project	**–**	1,000
Media Buys	**3,961**	1,037
Ontario Travel Centres	**93**	–
Summer Experience Program	**125**	120
	44,297	43,667

7. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2014 ($ 000)	2013 ($ 000)
Salaries and benefits	**3,042**	3,187
Accommodation	**1,302**	1,796
Services	**413**	297
Transportation and communications	**113**	83
Supplies and equipment	**75**	135
Merchandise for sale	**423**	472
	5,368	5,970

Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $185,000 (2013 – $181,000).

8. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services were provided by the Ministry of Tourism, Culture and Sport without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2014 ($ 000)	2013 ($ 000)
Salaries and benefits	**6,090**	6,016
Services	**785**	823
Transportation and communications	**160**	142
Supplies and equipment	**27**	29
	7,062	7,010

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $419,000 (2013 – $396,000).

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

10. COMMITMENTS

a) After a competitive procurement process, Hewlett Packard has been awarded a five year contract as the service provider for hosting, operations, maintenance and redevelopment of the Tourism Consumer Information System. The original contract amount of $30,800,000 has been reduced by $1,600,000 to $29,200,000. During the year $3,519,000 was paid. To-date $603,000 has been capitalized. (Note 2(i)).

b) The corporation has various operating leases for its premises and advertising. The minimum annual payments for the next five years and thereafter are as follows:

	($ 000)
2015	807
2016	582
2017	573
2018	573
2019	96